

Minutes of the Regular Work Session of the  
Board of Mayor and Aldermen, City of Kingsport, Tennessee  
Monday, January 7, 2013, 4:30 PM  
Council Room – City Hall

PRESENT: Board of Mayor and Aldermen

Mayor Dennis Phillips

Alderman John Clark

Alderman Valerie Joh

Alderman Mike McIntire

Vice-Mayor Tom C. Parham

Alderman Tom Segelhorst

Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager

J. Michael Billingsley, City Attorney

James H. Demming, City Recorder

1. **CALL TO ORDER:** 4:30 p.m. by Mayor Phillips.

2. **ROLL CALL:** By City Recorder Demming.

3. **WORK SESSION TICKLER.** City Manager Campbell provided information on the future use of the Pet Dairy building. Alderman Shupe asked about the old Tennessee Highway Patrol building. Mr. Campbell commented on the schools' interest, but stated they were months away from it becoming vacant and available. Mayor Phillips pointed out once property was gone it was final and asked for city staff and school staff to meet and provide strong recommendation regarding city property. The mayor also asked about the demolition of the old gas station at the end of Ridgefields Road and stated the board would not like to see it still there six months from now. In response to Alderman Joh, Assistant to the City Manager Chris McCartt gave details on the location for the carousel project.

**NOTE:** At this time Item 6 (Discuss DB Band Presidential Inaugural Parade Trip) and then Item 5 (Report of Auditors) were discussed next, out of order, to accommodate members in the audience.

4. **PRESENTATION OF HEALTH CLINIC.** City Manager Campbell stated the health clinic project was an evolutionary step in an effort to control health costs, as well as maintaining the employees' health. He pointed out as a self-insured program this would benefit the city. Mr. Mark Morgan from Sherrill Morgan and Associates provided further details on the benefits, noting it would save the city money, dispense medication directly to the patient on-site and there would be no co-pay for the employee. He listed other Tennessee cities utilizing this program. Mr. Morgan discussed the request for proposal process and made a recommendation to the BMA based upon the results of that process. Discussion ensued. Issues of concern from the Board pertained to the possibility of partnering with another organization, establishing compatible hours to ensure a savings and implementing a small co-pay to discourage abuse of the program. City Attorney Billingsley gave details on the facility requirements and discussed possible locations. Mr. Billingsley state that long-term, this project would save a lot of money and provide better care.

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**5. REPORT OF AUDITORS.** Mr. Richard Linnen, a partner with the firm Brown Edwards, presented this report to the BMA. He provided details certain items and commented on some of the highlights. Mr. Linnen confirmed the city received a clean, unqualified opinion for fiscal year 2012 and commended the finance staff. City Recorder Demming pointed out this was the first year for this firm, noting they looked at some new areas that the previous auditors did not.

**6. DISCUSS DB BAND PRESIDENTIAL INAUGURAL PARADE TRIP.** Mayor Phillips stated the BMA realizes what this honor means to this city. He noted that while watching the Rose Bowl, the City of Kingsport was mentioned several times. He thanked Superintendent Lyle Ailshie and Band Director Lafe Cook for making the band what it is today. Dr. Ailshie stated you couldn't put a dollar value on the publicity this event would give to Kingsport. He confirmed the cost of the trip would be about \$17,000 and steps are being taken so that the students will have to pay very little out of pocket and every student who wants to go will be able to. Mr. Cook provided further details on the cost of the trip in regards to meals and lodging.

**7. REVIEW OF AGENDA ITEMS ON THE JANUARY 8, 2013 REGULAR BUSINESS MEETING AGENDA.** City Manager Campbell, members of staff and community members provided a summary or presentation for each item on the proposed agenda. Those items the Board discussed at greater length or which received specific questions or concerns included:

***NOTE:** Item VI.D.9 was discussed first and the agenda resumed in order thereafter.*

**VI.B.1 Consideration of a Budget Ordinance Authorizing the Transfer of Visitor Enhancement Program Funds to the Kingsport Convention and Visitors Bureau (AF: 15-2013).** City Manager Campbell stated KCVB have the reserve to buy three basketball courts. Assistant to the City Manager Chris McCartt pointed out this puts the City of Kingsport in a really good position for future tournaments. He noted the KCVB has run additional numbers to show the improved economic development resulting from these tournaments being in town. Mr. McCartt also commented these courts could be used for volleyball as well.

**VI.B.2 Consideration of an Ordinance to Establish the Health and Wellness Center Operating Budget (AF: 18-2013).** See Item 4.

**VI.B.3 Consideration of an Ordinance to Establish the Aquatic Center Operating Budget (AF: 17-2013).** Assistant to the City Manager presented details on this item. He stated this budget spanned the next six months and covered items such as pay for employees and purchasing the necessary start-up equipment. He discussed revenues, ticket pricing and also provided information on marketing strategies. Social media as well as a firm specializing in start-up projects should play a major marketing role for the Aquatic Center and benefit attendance. If the ordinance is approved the contract would be signed and they will hit the ground running next week. Some discussion ensued and Mr. McCartt then answered questions from the BMA.

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**VI.D.2 Consideration of a Resolution Approving an Agreement with the Industrial Development Board of the City of Kingsport, Tennessee Pertaining to Certain Tax Revenue in the Border Region Retail Tourism Development District (AF: 06-2013).** City Manager Campbell pointed out this issue was not addressed in the original agreement with KEDB and Stuart Taylor and would allow the state sales tax returned to the city to be turned over to KEDB while they are financing the improvements to that region.

**VI.D.5 Consideration of a Resolution Authorizing the Mayor to Sign All Applicable Documents for Termination of the Support Services Agreements (Exhibit C) with Energy Systems Group, LLC (ESG) as Referenced in the Guaranteed Energy Savings Performance Contracts Phase I and Phase II (AF: 03-2013).** City Manager Campbell stated Public Works Director Ryan McReynolds has indicated that the city has achieved the projected savings and there is no need to pay for continued monitoring.


**VI.D.9 Consideration of a Detailed Bond Resolution Authorizing the Issuance of Not to Exceed \$43,250,000 General Obligation Refunding Bonds of the City of Kingsport (AF: 12-2013).** City Recorder Demming explained the savings benefit of bond refunding. Mayor Phillips summarized by saying the city is basically refinancing debt to save at least three percent in interest, without extending the term. Mr. Rick Dulaney, financial advisor from Morgan Keegan, gave further details on this item and answered questions.

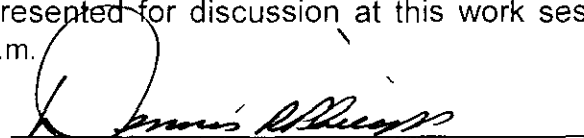
**VI.D.10 Consideration of a Resolution Approving the Proposal of CareHere as the Provider of Health, Wellness and Occupational Medicine Clinic Center Services for City of Kingsport Employees and Authorizing the Mayor to Execute an Agreement for the Same (AF: 19-2013).** See Item 4.

**BOARD COMMENT.** Mayor Phillips pointed out it is budget time and if the Board had any projects or issues of concern they should inform the City Manager of any expectations before it gets too late into the process. Mr. Campbell commented any input would be welcome as each department is working hard. Vice-Mayor Parham asked for a joint meeting between the BMA and the Planning Commission regarding annexation and the capital improvement budget. Alderman Segelhorst commented the alleyway next to the new Burger King on Clinchfield Street is getting used more now and needs attention. The mayor also asked engineering to look at the Burger King entrance on Stone Drive. Mr. McReynolds noted that intersection was redone about three years ago but they will look at it again.

**PUBLIC COMMENT.** None.

**8. ADJOURN.** Seeing no other matters presented for discussion at this work session, Mayor Phillips adjourned the meeting at 6:20 p.m.

  
ANGELA MARSHALL  
Deputy City Recorder

  
DENNIS R. PHILLIPS  
Mayor